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2003 MAY 12 P 1:17

CHIEF CLERK'S OFFICE

Docket No.

03-0320

MxEnergy Inc.

Application for Certificate of
Service Authority under Section
19-110 of the Public Utilities Act.

APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY UNDER
SECTION 19-110 OF THE PUBLIC UTILITIES ACT

MxEnergy ("Applicant"), hereby requests that the Illinois Commerce Commission ("Commission") grant it a certificate of service authority pursuant to Section 19-110 of the Public Utilities Act ("Act"). In support of its application, Applicant states as follows:

General

1. Applicant's name and street address:

MxEnergy Inc.
20 Summer Street
Stamford, CT 06901

2. Related Information

Type of business entity:

Corporation

Jurisdiction in which and under whose laws business entity was created:

Delaware

Other names under which Applicant does business:

MxEnergy

Federal Employer Identification Number:

06-1543530

Registered agent in Illinois:

C T Corporation System

208 S. La Salle Street

Chicago, IL 60604

3. Does Applicant currently have other authority from the Commission to be an AGS?

Yes

4. Contact persons for the following:

a) Issues related to processing this application:

Carole Roberta Artman-Hodge
Executive Vice President and Chief Financial Officer
20 Summer Street
Stamford, CT 06901
203 356 1318
203 425 9562 (fax)
rhodge@mxenergy.com

b) Issues related to retail customers, including complaint resolution:

Bob Blake
Vice President Customer Operations
10010 Junction Drive
Suite 104-S
Annapolis Junction, MD 20701
800 785 4373 x 113
240 456 1510 (fax)
rblake@mxenergy.com

c) Technical issues, including scheduling of natural gas deliveries:

Emmett Capanna
Senior Vice President/ Supply and Marketing
1255 Bound Brook Rd
PO Box 491
Middlesex, NJ 08846
732 805 0300
732 805 4044 (fax)
ecapanna@mxenergy.com

5. Applicant certifies that it will:

- a) Comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interstate natural gas system;
- b) Provide service to commercial customers that are eligible to take service from an AGS;
- c) Comply with informational and reporting requirements that the Commission may by rule establish; and
- d) Comply with all other applicable laws and regulations and Commission rules and orders.

6. Applicant agrees to submit good faith schedules of natural gas deliveries in accordance with applicable tariffs.
7. a. Applicant is authorized and licensed to supply natural gas to residential and commercial customers in the following states and territories:

Illinois:	NICOR
Indiana:	Northern Indiana Public Service Co
Ohio:	Columbia Gas of Ohio
	Dominion East Ohio
Michigan:	Consumers Energy
	Michcon
Pennsylvania:	Columbia Gas of Pennsylvania
Kentucky:	Columbia Gas of Kentucky
Maryland:	Baltimore Gas & Electric
	Columbia Gas of Maryland

- b. Applicant is authorized by NICOR to supply natural gas to residential and commercial customers in Illinois. Applicant currently serves approximately 5,000 natural gas customers in Illinois.
 - c. Applicant currently serves approximately 160,000 natural gas customers in these states.
8. Applicant seeks authority to serve commercial customers in northern Illinois in the territory of NICOR Gas. Applicant intends only to offer natural gas.
9. Applicant proposes to serve commercial rate class customers that are eligible for the Choice Programs administered by NICOR Gas. Applicant does not intend to serve any customers that are not eligible for the Choice Programs administered from time to time by NICOR Gas. The characteristics of such customers are set forth in the utility tariff.
10. Applicant has been approved by NICOR Gas to serve customers in its territory. A copy of the Small Customer Transportation Program Supplier Aggregation Agreement, executed by MxEnergy and NICOR Gas, is attached as Attachment 1.
11. Applicant certifies compliance with all applicable terms and conditions required by Section 19-115 of the Act.
12. Applicant has adopted and follows rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for delivery service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created or after the expiration of the customer contract, whichever is later.

13. Applicant has adopted and follows rules and procedures to preserve the confidentiality of its customer's data.
14. Applicant does not seek to serve customers within a geographic area that is smaller than a gas utility's service area.
15. Applicant certifies that all marketing materials that make statements concerning prices, terms and conditions of service contain information that adequately disclose the prices, terms and conditions of the products or services that the Applicant is offering or selling to the customers.
16. Applicant certifies that, prior to switching any customer from another supplier, the Applicant will provide the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer.
17. Applicant certifies that it will provide the customer with itemized billing statements that describe the products and services provided to the customer and their prices and an additional statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the customer.

Financial Qualifications

18. A copy of applicant's required license or permit bond in the amount of \$150,000, previously furnished to the ICC, is provided in Attachment 2, accompanied by a copy of the underwriter's rating agency report for long term obligations. The Company submitted a license bond to comply with the requirements of Section 551.50. Such bond was paid by Applicant on July 23, 2002 as evidenced by the attached statement.
19. Pursuant to Subsection 551.80(e), Applicant certifies that it will offer to reimburse its Illinois commercial customers for the additional costs those customers incur to acquire natural gas as a result of Applicant's failure to comply with a contractual obligation to supply such energy. This prospective obligation shall be covered by a letter of credit in an amount not less than an estimate of the maximum monthly number of Mcf of natural gas Applicant expects to schedule to such customers over the next twelve months times the 12-month average of the "Average City Gate Price, by State" for Illinois, as published in the most recent edition of the Energy Information Administration's (EIA) Natural Gas Monthly using the most recent 12 months of data shown in that edition. A copy of a letter of credit issued by Wachovia Bank N.A. in the amount of \$175,000 and with a term of not less than one year supporting Applicant's financial qualifications pursuant to Subsection 551.80(e) is provided in Attachment 3, accompanied by a copy of the

bank's rating agency report for long term obligations. The amount of this letter of credit is based upon the following calculation:

Maximum Monthly Number of Mcf ("MDQ"):	42,262 mcf
Last 12-month Average City Gate price published by EIA ("P"):	\$3.77

$MDQ * P = \$188,500.$

Note that a good faith estimate of the maximum daily amount of natural gas in dekatherms which MxEnergy will schedule during the remainder of the current calendar year for commercial customers is 1,885 dekatherms.

A copy of the applicable pages from the EIA's February 2003 Natural Gas Monthly is also attached in Attachment 4.

Technical Qualifications

20. Applicant will not use natural gas transmission or distribution facilities that it owns, controls or operates in serving customers. Required materials supporting Applicant's technical qualifications are provided in Attachment 5.
21. In accordance with Subsection 551.90, Applicant notes that it employs several individuals on its staff with demonstrated four years natural gas sales experience and two years experience working with rules and practices established by the Gas Industry Standards Board ("GISB"). These individuals, whose biographies and occupational background information have been furnished in the Attachments, include the following:
 - (i) *Emmett Capanna*: Over 16 years natural gas sales experience and over 10 years experience working with rules and practices established by GISB
 - (ii) *Jeffrey Mayer*: Over 11 years natural gas sales experience and over 10 years experience working with rules and practices established by GISB
 - (iii) *Bob Blake*: Over 11 years natural gas sales experience and over 11 years experience working with rules and practices established by GISB
22. In accordance with Subsection 551.100, Applicant notes that it employs several individuals on its staff with four or more years demonstrated experience in a management position with enterprise and financial and administration responsibilities including profit and loss responsibilities and four years natural gas sales experience. These individuals, whose biographies occupational background information have been furnished in the Attachments which include a corporate organizational chart indicating the positions of the persons identified below, include the following:

(i) *Jeffrey Mayer*: Over 14 years experience in a management position with enterprise and financial and administration responsibilities including profit and loss responsibilities and over 11 years natural gas sales experience.

(ii) *Carole Roberta Artman-Hodge*: Over 16 years experience in a management position with enterprise and financial and administration responsibilities including profit and loss responsibilities.

(iii) *Emmett Capanna*: Over 16 years experience in a management position with enterprise and financial and administration responsibilities including profit and loss responsibilities and over 15 years natural gas sales experience.

(iv) *Bob Blake*: Over 9 years in a management position with enterprise and financial and administration responsibilities including profit and loss responsibilities and over 10 years natural gas sales experience.

(v) *Chaitu Parikh*: Over 12 years in a position with financial responsibilities, over 4 years in a management position with financial and and administration responsibilities including profit and loss responsibilities, and over 4 years natural gas sales experience.

Managerial Qualifications

23. Required materials supporting Applicant's managerial qualifications are provided in Attachment 6. An organization chart illustrating Applicant's staffing is provided in Attachment 7.

WHEREFORE, Applicant requests that the Commission grant its application for service authority to serve commercial natural gas customers in northern Illinois.

Respectfully submitted,

MxENERGY INC.

By: 

Jeffrey Mayer

President

MxEnergy, Inc.

20 Summer Street

Stamford, CT 06901

203 356 1318 (o)

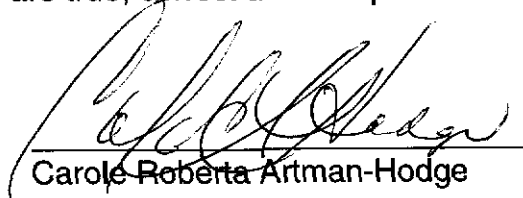
203 425 9562 (f)

jmayer@mxenergy.com

VERIFICATION

STATE OF CONNECTICUT)
COUNTY OF FAIRFIELD) ss:

Carole Roberta Artman-Hodge, being first duly sworn, deposes and says that she is the Executive Vice President and Chief Financial Officer of MxEnergy Inc.; that she has read the foregoing Application of MxEnergy Inc. and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the best of her knowledge, information and belief.


Carole Roberta Artman-Hodge

Subscribed and sworn to before me
this 22nd day of April, 2003


Notary Public

MYRTHA NARCISSE
[Stamp of Notary] **NOTARY PUBLIC**
MY COMMISSION EXPIRES SEP. 30, 2007